Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

UNCLASSIFIED

51
ACTION EUR-25

INFO OCT-01 ISO-00 SAJ-01 SWF-02 AID-20 CEA-02 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02

SP-03 STR-08 TRSE-00 LAB-06 SIL-01 SAM-01 OMB-01

DODE-00 PM-07 H-03 L-03 NSC-07 PA-04 PRS-01 SS-20

USIA-15 FEA-02 SCI-06 INT-08 IO-14 DRC-01 /188 W
---------- 104390
R 051833Z APR 74
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 9387
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
USMISSION EC BRUSSELS
USMISSION OECD PARIS

UNCLAS SECTION 01 OF 02 LONDON 04363

E.O. 11652: N/A
TAGS: EEC, UK
SUBJECT: "FINANCIAL TIMES" ON TIMING OF RENEGOTIATION
AND NEXT ELECTION

SUMMARY: APRIL 5, "FINANCIAL TIMES" POLITICAL
CORRESPONDENT DAVID WATT IN HALF PAGE, OPP ED COLUMN,
ENTITLED "LABOR'S COMMON MARKET BLINKERS," SAYS
POMPIDOU'S DEATH WILL POSTPONE BEGINNING OF RENEGOTIATION
UNTIL LATE MAY AND THUS EC MEMBERSHIP CAN NOT BE AN
ISSUE IF ELECTION IS CALLED IN JUNE. BRITAIN'S
EC PARTNERS THUS HAVE STRONG INCENTIVE TO PLAY FOR TIME.
UNCLASSIFIED

UNCLASSIFIED

HOWEVER, IF LABOR DOES WIN THE NEXT ELECTION, PERHAPS

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

IN OCTOBER, PRESSURES FOR REFERENDUM WILL BECOME VERY GREAT. WATT CONCLUDES THAT "UNDER LABOR THE BEST WE CAN HOPE FOR AT PRESENT IS A STATIC MARKET. THAT IS BETTER THAN NOTHING, BUT IT IS STILL A SAD OUTLOOK."
END SUMMARY

1. WATT SAID THAT DEATH OF PRESIDENT POMPIDOU AND FOREIGN SECRETARY CALLAGHAN'S SPEECH APRIL 1 ON RENEGOTIATING TERMS OF ENTRY HAVE BROUGHT EUROPE TO A PERIOD MORE DANGEROUS AND CONFUSED THAN ANY SINCE THE MID-50S. WEAK OR UNCERTAIN GOVERNMENTS IN BRITAIN, FRANCE AND GERMANY; NATIONALIST BICKERING, MENACING EXTERNAL PRESSURES, BOTH ECONOMIC AND MILITARY, WEAK AMERICAN GOVERNMENT AND ENERGY CRISIS CREATE BACKDROP FOR LAST ACT OF "GOTTERDAMMERUNG."

2. SOMBERNESS OF THIS GENERAL PICTURE MAKES GOVERNMENT'S APPROACH TO EUROPEAN QUESTION SEEM BLIND. IT IS EASY TO CRITICIZE THE FAILURES OF THE COMMUNITY BUT LESS EASY TO SEE WHAT MIGHT REPLACE IT. YET THE GOVERNMENT HAS GAILY EMBARKED ON A COURSE WHICH COULD LEAD TO WITHDRAWAL AND VIRTUAL COLLAPSE OF EEC, AND HAS DONE SO WITHOUT DISCUSSION OF HOW IT PROPOSES TO FACE THE SITUATION WITHDRAWAL WOULD CREATE. IF LABOR GOVERNMENT BELIEVES UK CAN TAKE ON MAJOR INTERNATIONAL PROBLEMS IN SINGLE COMBAT AFTER EXPERIENCE IN FIRST FOUR WEEKS IN OFFICE OF ECONOMIC PROBLEMS, LECTURES FROM DR. KISSINGER, AND THE SHARP REPLIES OF THE EIGHT TO MR. CALLAGHAN, IT MUST BE BLIND INDEED.

3. THEIR PERCEPTION OF THIS POINT CAUSES BOTH PRO-MARKET POLITICIANS AND CIVIL SERVANTS TO HOPE FOR THE BEST, BECAUSE THEY CANNOT BELIEVE THAT AN UNDOUBTEDLY INTELLIGENT LABOR CABINET WOULD ABDICATE ITS GREAT RESPONSIBILITY. AS THEY SEE IT, CALLAGHAN'S SPEECH WAS GRACELESS, BUT HE AS TO CARRY THE PARTY WITH HIM. HE KNOWS BRITAIN COULD NOT AFFORD TO NEGOTIATE WITHDRAWAL, BUT HE COULDN'T ADMIT THIS WHILE DISCUSSIONS ARE IN PROGRESS. THIS OPTIMISTIC VIEW CAN BE BUTTRESSED BY SOME TACTICAL CALCULATIONS.
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LONDON 04363 01 OF 02 051856Z

DEATH OF POMPIDOU HAS MADE FUTURE BRITISH MEMBERSHIP MARGINALLY MORE SECURE, NOT MERELY BECAUSE NEW FRENCH GOVERNMENT WILL BE MORE AMENABLE (ALTHOUGH GERMANS WILL PROVIDE STRONG OPPOSITION TO BRITISH EFFORTS TO RENEGOTIATE), BUT CHIEFLY BECAUSE EVENTS IN FRANCE HAVE ALTERED BRITISH GOVERNMENT TIMETABLE. RENEGOTIA-TION CANNOT NOW BEGIN UNTIL WELL INTO SECOND HALFOF MAY.

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

4. SIGNIFICANCE OF THIS CAN BE UNDERSTOOD ONLY IN CONTEXT OF WILSON'S OTHER TACTICAL DIFFICULTIES. BEST POSSIBLE MOMENT FOR LABOR TO CALL ELECTION TO REQUEST FIRM MANDATE IS JUNE, BY WHICH TIME PUBLIC WILL HAVE BECOME USED TO NEW GOVERNMENT BUT MOST UNPOPULAR EFFECTS OF BUDGET WILL NOT HAVE COME INTO EFFECT. HOWEVER, CALLING ELECTION NEEDS AN EXCUSE AND COMMON MARKET CANNOT FORM EXCUSE FOR JUNE ELECTION. EC MIGHT PROVIDE ELECTION ISSUE IN OCTOBER, BUT BY THEN LABOR GOVERNMENT WILL BE MORE IN THE HABIT OF DEALING WITH THE COMMUNITY. IT FOLLOWS THAT BRITAIN'S PARTNERS HAVE EVERY INCENTIVE TO PLAY FOR TIME.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 LONDON 04363 02 OF 02 051847Z

51
ACTION EUR-25

INFO OCT-01 ISO-00 SAJ-01 SWF-02 AID-20 CEA-02 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02

SP-03 STR-08 TRSE-00 LAB-06 SIL-01 SAM-01 OMB-01

DODE-00 PM-07 H-03 L-03 NSC-07 PA-04 PRS-01 SS-20

USIA-15 FEA-02 SCI-06 INT-08 IO-14 DRC-01 /188 W
---------- 104246
R 051833Z APR 74
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 9388
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
USMISSION EC BRUSSELS
USMISSION OECD PARIS

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

5. UNFORTUNATELY, THIS MAY NOT BE ENOUGH. WILSON MAY FIND ANOTHER GOOD ISSUE IN JUNE, OR WIN HIS MANDATE IN OCTOBER, IN WHICH CASE IT WOULD BE MOST UNWISE FOR PRO-MARKETEERS TO TAKE AN OVER OPTIMISTIC VIEW OF THE GOVERNMENT'S PROBABLE COURSE OF ACTION. THE TIDE OF ISOLATIONISM IS STILL RUNNING VERY STRONG IN THE LABOR PARTY, AND THE PRESSURES WITHIN THE PARTY FOR A REFERENDUM WOULD BECOME VERY GREAT. IN REFERENDUM, EVEN IF GOVERNMENT LEFT IT TO PEOPLE TO DECIDE WITHOUT SEEKING INFLUENCE RESULT, PUBLIC RESPONSE WOULD PROBABLY BE NEGATIVE.
UNCLASSIFIED

6. LOOKING ON THE BRIGHTSIDE, ONE MIGHT SAY THAT SUCCESSFUL RENEGOTIATION COULD BE SOLD TO PUBLIC BUT IT MUST BE ADMITTED THAT LABOR'S DEFINITION OF SUCCESS HAS BECOME RIGID, AND AS HOSTILITY TO THE MARKET IS THE KEYNOTE BOTH OF THE LABOR PARTY AND PUBLIC OPINION, IT IS DIFFICULT FOR PRO-MARKET ARGUMENTS TO GET A PROPER HEARING. EVEN IF RENEGOTIATION IS SUCCESSFUL, NO LABOR GOVERNMENT IS LIKELY TO TAKE THE KIND OF PLUNGE INTO EUROPE WHICH MIGHT MAKE THE WHOLE ENTERPRISE WORTHWHILE. UNDER LABOR THE BEST WE CAN HOPE FOR AT PRESENT IS A STATIC MARKET. THAT IS BETTER THAN NOTHING, BUT IT IS STILL A SAD OUTLOOK.

SOHM

UNCLASSIFIED

NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, MEMBERSHIP, NEGOTIATIONS, ELECTIONS, SPEECHES, INTERGOVERNMENTAL COOPERATION
Control Number: n/a
Copy: SINGLE
Draft Date: 05 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LONDON04363
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740077-0594
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740464/aaaacgsk.tel
Line Count: 205
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 06 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06 MAY 2002 by bryansd0>; APPROVED <06 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: "FINANCIAL TIMES" ON TIMING OF RENEGOTIATION AND NEXT ELECTION
TAGS: PFOR, PINT, UK, EEC, (WATT, DAVID), (CALLAGHAN)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005